



DOCKET NO: H-06	BOARD MEETING: April 17, 2012	PROJECT NO: 12-007	PROJECT COST: Original: \$142,014,262 Current:
FACILITY NAME: Park Place Christian Community of Elmhurst		CITY: Elmhurst	
TYPE OF PROJECT: Substantive			HSA: VII

PROJECT DESCRIPTION: The applicants propose to establish a 37-bed general long-term care ("LTC") unit as part of a Continuum of Care Retirement Community ("CCRC") development in Elmhurst, Illinois. The cost of the CCRC development is \$142,014,262.



EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants propose to establish a 37-bed general long-term care ("LTC") unit as part of a Continuum of Care Retirement Community ("CCRC") development in Elmhurst, Illinois. The total cost of the CCRC development is \$142,014,262. **The anticipated project completion date is August 31, 2012.**

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The project is before the State Board because the project proposes to establish a health care facility as defined by the Act.

BACKGROUND:

- The applicants were approved in April 2008 to establish a Continuum Care Retirement Community ("CCRC") with a 37 bed long term care facility as Permit #07-071. At that time the applicants were approved under the CCRC variance for 37 long term care beds at a total project cost of \$136,721,192. **The CCRC variance limits the applicants to accepting residents of the CCRC community only.** At the time of approval there was a calculated bed need for **576 long term care beds**. Permit #07-071 is still valid and has been obligated and is required to be completed by June 30, 2012. Should the State Board approve this project (#12-007) the applicants will abandon Permit #07-071.

PURPOSE OF THE PROJECT:

- The purpose of the project is to remove the CCRC variance. To remove the variance the applicants had to submit a new application for permit (Project #12-007). Project #12-007 differs from Permit #07-071 as follows:
- Increases the cost of the long term care facility from \$7,446,641 to \$7,578,674 or \$133,032.
- Increases the total project cost from \$136,721,193 to \$142,014,262 or \$5,293,069.
- There is no change in the number of beds or gross square footage for the long term care facility.

NEED FOR THE PROJECT:

- An applicant proposing to establish a long term care facility must
- Demonstrate there is a calculated planning area need;
- Document that the proposed project will serve the residents of the planning area;
- Document that there is demand for the facility;
- Document that access to the service will be improved; and,
- Document that there will be no maldistribution or unnecessary duplication of service

COMPLIANCE:

- The applicants have had no adverse actions in the past three years and are in compliance with all of the State Board's reporting requirements.



PUBLIC HEARING/COMMENT

- No public hearing was requested and no letters of support or opposition were received by the State Board Staff.

FINANCIAL AND ECONOMIC FEASIBILITY:

- The applicants are funding this project with cash in the amount of \$1,000,000 and a bond issue of \$141,014,262. The tax exempt revenue bonds were issued May 27, 2010 through the Illinois Finance Authority.

CONCLUSION:

- This project was originally approved as Project #07-071 under the CCRC variance which limits the applicants to providing long term care services to the residents of the retirement community. Project #07-071 is to be completed by June 2012. The applicants are now asking the State Board to remove this variance and allow the applicants to provide long term care services to the residents of the planning area. The applicants are making this request to address the calculated bed need of 899 long term care beds in the planning area.

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
Criterion 1125.234 (a) - Size of Project	The applicant exceeds the size standard for long term care beds by approximately 80 GSF per bed.
Criterion 1125.800(a) - Reasonableness of Project Costs	The applicant exceeds the site survey site preparation and soil investigation standard for a long term care facility.

**STATE BOARD STAFF REPORT**

Park Place Christian Community of Elmhurst
Project #12-007

APPLICATION SUMMARY	
Applicant(s)	Timothy Place, NFP, d/b/a Park Place Christian Community of Elmhurst, and Rest Haven Illiana Christian Convalescent Home
Facility Name	Park Place Christian Community of Elmhurst
Location	Elmhurst, Illinois
Application Received	January 23, 2012
Application Deemed Complete	January 23, 2012
Scheduled Review Period Ended	March 23, 2012
Review Period Extended by the State Board Staff	No
Public Hearing Requested	No
Applicants' Deferred Project?	Yes
Can Applicants Request a Deferral?	No
Applicants' Modified the Project?	No

I. The Proposed Project

The applicants propose to establish a 37-bed general long-term care ("LTC") unit as part of a Continuum of Care Retirement Community ("CCRC") development in Elmhurst, Illinois. The total cost of the CCRC development is \$142,014,262. **The anticipated project completion date is August 31, 2012**

II. Summary of Findings

- A. The State Board Staff finds the proposed project appears **not** to be in conformance with the provisions of Part 1110.
- B. The State Board Staff finds the proposed project appears **not** to be in conformance with the provisions of Part 1120.

III. General Information

The applicants are Timothy Place, NFP, d/b/a Park Place Christian Community of Elmhurst and Rest Haven Illiana Christian Convalescent Home. Timothy Place, NFP owns the site and will be the operating entity/licensee. Rest Haven Illiana Christian Convalescent Home is the parent corporation. Park Place Christian Community of Elmhurst is the name of the CCRC. The project is classified as substantive and subject to both a Part 1110 and Part 1120 review. **Project obligation will occur after permit issuance with an anticipated project completion date of August 31, 2012.**



A public hearing was offered on this project, but none was requested. No additional public comments were received by the State Board Staff.

The facility is located in Elmhurst (HSA VII), in the 7-C General Long-Term Planning area. There are 37 other LTC providers in 7-C. In addition, there are 95 facilities within a 30-minute travel time of the applicants' site (see Table One at the end of this report).

Based on the February 2012 update to the State Board's Inventory of Health Care Facilities and Services and Need Determination ("Inventory"), the 7-C Long-Term Planning area has a computed need for 899 additional LTC beds.

Table One lists providers within 30 minutes of the proposed project the 7-C planning area, their authorized beds, occupancy rate for 2010, and distance and travel time from the proposed facility. Authorized beds and occupancy data were obtained from IDPH's 2010 LTC Profiles; while distance and travel times were determined using Map Quest. The information in the table is sorted based on time from the applicants' proposed site.

TABLE ONE					
Facilities within 30 minutes of proposed facility					
Facility Name	City	Beds	Medicare Star Rating	Occ %	Adjusted Time
Park Place Christian Community	Elmhurst	37	NA	NA	0
Lexington of Elmhurst	Elmhurst	145	2	87.6 %	2.3
Oak Brook Health Care Center	Oak Brook	156	2	89.1 %	5.75
Oakridge Nursing & Rehab Ctr	Hillside	73	3	73.6 %	6.9
The Renaissance At Hillside	Hillside	198	1	87.7 %	8.05
Westchester Health & Rehab	Westchester	120	3	88.4 %	9.2
Elmhurst Memorial Hospital	Elmhurst	38	3	94.2 %	10.35
Elmhurst Extended Care Center	Elmhurst	108	5	64.7 %	11.5
Manor Care of Hinsdale	Hinsdale	202	2	90 %	11.5
Manor Care of Westmont	Westmont	155	2	85.5 %	11.5
Beacon Hill	Lombard	110	5	94.5 %	12.65
The Grove of LaGrange Park	Lagrange Park	131	4	75.4 %	12.65
Berkshire Nursing & Rehab Center	Forest Park	232	1	57 %	13.8
Elm Brook Hlth C & Rehab Ctre	Elmhurst	180	2	74.1 %	13.8
Lexington Health Care Center-Lombard	Lombard	224	3	85.6 %	13.8
Rest Haven West	Downers Grove	145	NA	69.4 %	13.8
Rush Oak Park Hospital	Oak Park	36	3	50.9 %	14.95



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

TABLE ONE Facilities within 30 minutes of proposed facility					
Facility Name	City	Beds	Medicare Star Rating	Occ %	Adjusted Time
Columbus Park N & Rehab Center	Chicago	216	4	88.1 %	16.1
Lexington Of Lagrange	Lagrange	120	4	88.5 %	16.1
Villa Scalabrini Nsg & Rehab	Northlake	253	3	88.9 %	16.1
West Suburban Hospital & Med C	Oak Park	50	3	64.6 %	16.1
Briar Place	LaGrange	232	2	90.4 %	17.25
Bridgeway Christian Village Rehab & SNF	Bensenville	222	2	73.5 %	17.25
Chateau Nrsg & Rehab Center	Willowbrook	150	1	90.8 %	17.25
Emeritus Burr Ridge	Willowbrook	30	NA	79.8 %	17.25
Plymouth Place	LaGrange	86	3	82.5 %	17.25
Westmont Nursing & Rehab Center	Westmont	215	2	91.5 %	17.25
British Home	Brookfield	72	5	82 %	18.4
Burgess Square	Westmont	203	4	85.9 %	18.4
King-Bruwaert House	Burr Ridge	49	3	96.3 %	18.4
Mayfield Care Center	Chicago	156	3	77.3 %	18.4
Oak Park Healthcare Center	Oak Park	204	1	69.1 %	18.4
Gottlieb Memorial Hospital	Melrose Park	34	5	75.7 %	19.55
MEADOWBROOK MANOR LAGRANGE	LaGrange	197	1	60.6 %	19.55
Scottish Old Peoples Home	North Riverside	36	NA	72.6 %	19.55
Snow Valley Nrsg & Rehab Ctr	Lisle	51	2	79.3 %	19.55
Central Plaza Residential Home	Chicago	240	2	89.6 %	20.7
Columbus Manor Residential	Chicago	189	2	69.8 %	20.7
Fairview Baptist Home	Downers Grove	160	NA	52.7 %	20.7
Jackson Square Nrg & Rehab Ctr	Chicago	234	1	84.7 %	20.7
Cedar Pointe Rehab & Nursing	Cicero	485	2	67.5 %	21.85
Alden-Valley Ridge Rehab & Care	Bloomington	207	2	83.7 %	23
Berkeley Nursing & Rehab. Ctr	Oak Park	72	1	74 %	23
Courtyard Healthcare Center	Berwyn	145	3	70.3 %	23
Transitional Care of Naperville	Naperville	120	Approved 06/2011 #11-006	%	23
Westbury Care Center	Lisle	55	4	88 %	23
Hickory Nursing Pavilion	Hickory Hills	74	1	85.6 %	24.15
Rosary Hill Home	Justice	29	NA	100 %	24.15
Sacred Heart Home	Chicago	172	2	84.9 %	24.15
Schwab Rehabilitation Hospital	Chicago	21	4	51.2 %	24.15
Alden-Town Manor Rehab & Hhc	Cicero	237	1	75.5 %	25.3
Asbury Healthcare	Des Plaines	75	Approved	%	25.3



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

TABLE ONE
Facilities within 30 minutes of proposed facility

Facility Name	City	Beds	Medicare Star Rating	Occ %	Adjusted Time
			06/2010 #09-077		
Elmwood Care	Elmwood Park	245	2	79.6 %	25.3
Forest View Rehab & Nursing Center	Itasca	144	4	55.9 %	25.3
Lexington Health Care Center- Bloomingtondale	Bloomingtondale	166	1	88.2 %	25.3
Monroe Pav Hlth & Treatmnt Ctr	Chicago	136	2	97.8 %	25.3
West Suburban Nursing & Rehab Center	Bloomingtondale	259	3	69 %	25.3
Community Nsg & Rehab Center	Naperville	153	3	82.9 %	26.45
Manor Care - Elk Grove Village	Elk Grove Villg	190	2	93.3 %	26.45
Marianjoy Rehab Hospital	Wheaton	20	3	96.7 %	26.45
Park House Nursing & Rehab Ctr	Chicago	106	2	87 %	26.45
Pershing Convalescent Center	Berwyn	51	2	75.3 %	26.45
Windsor Park Manor	Carol Stream	80	1	71.8 %	26.45
Bethesda Home & Retirement Ctr	Chicago	113	5	50.9 %	27.6
Bridgeview Health Care Center	Bridgeview	146	1	87 %	27.6
Chicago Ridge Nursing Center	Chicago Ridge	231	3	94.4 %	27.6
Concord Nursing & Rehab Center	Oak Lawn	134	2	88.9 %	27.6
Manorcare of Oak Lawn West	Oak Lawn	192	2	82.7 %	27.6
Midway Neurological/Rehab Center	Bridgeview	404	1	72.1 %	27.6
Palos Hills Healthcare	Palos Hills	179	1	62.4 %	27.6
Tabor Hills Healthcare	Naperville	211	3	90.9 %	27.6
Wheaton Care Center	Wheaton	123	1	92.6 %	27.6
Abbington Rehab & Nursing Ctr	Roselle	82	2	71.7 %	28.75
Central Nursing Home	Chicago	245	2	92.8 %	28.75
Dupage Convalescent Home	Wheaton	508	3	61.9 %	28.75
Franciscan Village	Lemont	127	3	85.7 %	28.75
Lemont Nrsg & Rehab Center	Lemont	158	1	86.4 %	28.75
Lexington Of Chicago Ridge	Chicago Ridge	203	4	93.3 %	28.75
Lexington Of Schaumburg	Schaumburg	214	2	90.6 %	28.75
Oak Lawn Respiratory & Rehab	Oak Lawn	143	1	50.9 %	28.75
Resurrection Life Center	Chicago	157	5	96.7 %	28.75
Wynscape	Wheaton	209	5	59.5 %	28.75
Alden-Northmoor Rehab & Hc Ctr	Chicago	198	3	91.4 %	29.9
Ballard Nursing Center	Des Plaines	231	4	51.5 %	29.9
California Gardens Nrg & Rehab	Chicago	297	1	91.3 %	29.9
Central Baptist Village	Norridge	120	4	87.6 %	29.9



TABLE ONE Facilities within 30 minutes of proposed facility					
Facility Name	City	Beds	Medicare Star Rating	Occ %	Adjusted Time
Ctr Home For Hispanic Elderly	Chicago	156	1	94 %	29.9
Danish Home, The	Chicago	17	NA	41.7 %	29.9
Lee Manor	Des Plaines	262	4	90.6 %	29.9
Meadowbrook Manor	Naperville	245	1	92.7 %	29.9
Norwood Crossing	Chicago	131	5	90.1 %	29.9
Oakton Pavilion	Des Plaines	294	1	55.9 %	29.9
Park Ridge Care Center	Park Ridge	46	5	83.5 %	29.9
St. Patrick's Residence	Naperville	209	5	94.2 %	29.9
Time and Distance determined by Map Quest and adjusted per 1100.560(d) Utilization based upon 2010 Hospital Profile Information NA – denotes facilities not open or not participating in the Medicare and Medicaid Program					

IV. The Proposed Project - Details

The applicants propose to establish a 37-bed general long-term care ("LTC") unit as part of a Continuum of Care Retirement Community ("CCRC") development in Elmhurst, Illinois. The total cost of the CCRC development is \$142,014,262. The campus will contain 183 Independent Living Apartments, 37 Assisted Living units, 16 memory support Assisted Living units and the 37-bed LTC care unit. The LTC unit will be located on the 2nd and 3rd floor of a three-story structure with a partial basement. The entire campus is situated on approximately 12.6 acres of land. The project cost for the LTC unit is \$7,578,672.

V. Project Costs and Sources of Funds

The total project cost is \$142,014,261. The cost of the LTC unit is \$7,578,672; while the cost of the other components is \$134,435,589. The applicants will fund the project with cash and a bond issue. Table Two displays the project's cost information. The table lists the cost of the LTC unit, the non-reviewable areas (independent and assisted living units) and the total project cost.

TABLE TWO Project Cost Information			
Use of Funds	LTC Unit	Other Areas	Total
Preplanning Costs	\$40,312	\$637,889	\$678,201



TABLE TWO			
Project Cost Information			
Use of Funds	LTC Unit	Other Areas	Total
Site Survey and Soil Investigation	\$10,390	\$164,403	\$174,793
Site Preparation	\$258,058	\$4,083,422	\$4,341,480
Off Site Work	\$7,648	\$121,022	\$128,670
New Construction Contracts	\$4,449,728	\$70,410,980	\$74,860,708
Contingencies	\$34,791	\$617,149	\$651,940
Architectural/Engineering Fees	\$334,413	\$5,291,639	\$5,626,052
Consulting and Other Fees	\$414,609	\$7,354,617	\$7,769,226
Movable or Other Equipment	\$168,189	\$2,661,371	\$2,829,560
Bond Issuance Expense	\$391,503	\$6,944,746	\$7,336,249
Net Interest Expense	\$1,469,031	\$26,058,653	\$27,527,684
Other Costs to be Capitalized	\$0	\$10,089,698	\$10,089,698
Total Project Cost	\$7,578,672	\$134,435,589	\$142,014,261
Sources of Funds	LTC Unit	Other Areas	Total
Cash and Securities		\$1,000,000	\$1,000,000
Bond Issues	\$7,578,674	\$133,435,588	\$141,014,262
Total Project Funds	\$7,578,674	\$134,435,588	\$142,014,262

The State Board Staff notes that architectural and engineering fees consist of architectural fees, construction administration, reimbursables, civil engineering, low voltage consultant, and kitchen consultant. A complete itemization of the costs listed above can be found at page 65 of the application for permit.

The table below details the cost of the original permit and the proposed cost of the current proposal and the difference between the two.

TABLE THREE			
Project Cost Information			
Use of Funds	Existing Permit	New	Difference
Preplanning Costs	\$600,000	\$678,201	\$78,201
Site Survey and Soil Investigation	\$100,000	\$174,793	\$74,793
Site Preparation	\$6,312,125	\$4,341,480	-\$1,970,645
Off Site Work	\$300,000	\$128,670	-\$171,330
New Construction Contracts	\$81,446,115	\$74,860,708	-\$6,585,407
Contingencies	\$5,000,000	\$651,940	-\$4,348,060



TABLE THREE			
Project Cost Information			
Use of Funds	Existing Permit	New	Difference
Architectural/Engineering Fees	\$4,665,156	\$5,626,052	\$960,896
Consulting and Other Fees	\$6,916,793	\$7,769,226	\$852,433
Movable or Other Equipment	\$2,833,845	\$2,829,560	-\$4,285
Bond Issuance Expense	\$3,931,682	\$7,336,249	\$3,404,567
Net Interest Expense	\$16,228,391	\$27,527,684	\$11,299,293
Other Costs to be Capitalized	\$8,387,088	\$10,089,698	\$1,702,610
Total Project Cost	\$136,721,193	\$142,014,261	\$5,293,068
Sources of Funds		Total	
Cash and Securities	\$0	\$1,000,000	\$1,000,000
Bond Issues	\$136,721,193	\$141,014,262	\$4,293,069
Total Project Funds	\$136,721,193	\$142,014,262	\$5,293,069

VI. Cost / Space Information

The long-term care unit will comprise 29,318 GSF. Table Three displays the project's cost / space requirements in relation to the long-term care unit.

TABLE THREE		
Project's Cost / Space Requirements		
Department / Area	Construction Cost	New Construction (GSF)
Nursing	3,800,955	14,704
Administration	92,429	358
Chapel / Clergy Office	45,744	177
Living / Dining / Activity	827,711	3,202
Barber / Beauty	53,509	207
Home Health Office	8,613	33
Laundry	12,485	48
Training / Education	23,234	90
Kitchen	436,301	1,688
Employee Lounge	193,357	748
Physical & Occupational Therapy	45,744	177
Housekeeping	10,340	40
Storage	225,152	871
Mechanical / Electrical	353,625	1,368



TABLE THREE Project's Cost / Space Requirements		
Department / Area	Construction Cost	New Construction (GSF)
Elevator / Stairs	188,704	730
Shared Elevators	29,024	112
Corridors	1,231,748	4,765
TOTALS	\$7,578,675	29,318

VII. Project Purpose, Background and Alternatives

A. Criterion 1125.520 - Background of Applicant

The criterion:

"An applicant must demonstrate that it is fit, willing and able, and has the qualifications, background and character, to adequately provide a proper standard of health care service for the community. [20 ILCS 3960/6] In evaluating the qualifications, background and character of the applicant, HFPB shall consider whether adverse action has been taken against the applicant, or against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application. A health care facility is considered "owned or operated" by every person or entity that owns, directly or indirectly, an ownership interest. If any person or entity owns any option to acquire stock, the stock shall be considered to be owned by such person or entity (refer to 77 Ill. Adm. Code 1100 and 1130 for definitions of terms such as "adverse action", "ownership interest" and "principal shareholder")."

The applicants provided a list of all health care facilities currently owned and/or operated by the applicant, including licensing, certification and accreditation identification numbers, a certified statement from the applicant that no adverse action has been taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application, and authorization permitting HFPB and Illinois Department of Public Health (IDPH) access to any documents necessary to verify the information submitted. The applicants appear fit, willing and able and have the qualifications, background and character to adequately provide a proper standard of healthcare service for the community.



B. Criterion 1125.320 – Purpose of the Project

The criterion states:

“The applicant shall document that the project will provide health services that improve the health care or well-being of the market area population to be served. The applicant shall define the planning area or market area, or other, per the applicant's definition.

- 1) The applicant shall address the purpose of the project, i.e., identify the issues or problems that the project is proposing to address or solve. Information to be provided shall include, but is not limited to, identification of existing problems or issues that need to be addressed, as applicable and appropriate for the project. Examples of such information include:**
 - A) The area's demographics or characteristics (e.g., rapid area growth rate, increased aging population, higher or lower fertility rates) that May affect the need for services in the future;**
 - B) The population's morbidity or mortality rates;**
 - C) The incidence of various diseases in the area;**
 - D) The population's financial ability to access health care (e.g., financial hardship, increased number of charity care patients, changes in the area population's insurance or managed care status);**
 - E) The physical accessibility to necessary health care (e.g., new highways, other changes in roadways, changes in bus/train routes or changes in housing developments).**
- 2) The applicant shall cite the source of the information (e.g., local health department Illinois Project for Local Assessment of Need (IPLAN) documents, Public Health Futures, local mental health plans, or other health assessment studies from governmental or academic and/or other independent sources).**
- 3) The applicant shall detail how the project will address or improve the previously referenced issues, as well as the population's health**



status and well-being. Further, the applicant shall provide goals with quantified and measurable objectives with specific time frames that relate to achieving the stated goals.

- 4) For projects involving modernization, the applicant shall describe the conditions being upgraded. For facility projects, the applicant shall include statements of age and condition and any regulatory citations. For equipment being replaced, the applicant shall also include repair and maintenance records."

According to the applicants, the purpose of the project is to remove the CCRC variance and address the bed need in the planning area.

C. Criterion 1125.330 - Alternatives to the Proposed Project

The criterion states:

"The applicant shall document that the proposed project is the most effective or least costly alternative for meeting the health care needs of the population to be served by the project.

- 1) Alternative options shall be addressed. Examples of alternative options include:
 - A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Other considerations.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of cost, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This May vary by project or situation.



- 3) The applicant shall provide empirical evidence, including quantified outcome data; that verifies improved quality of care, as available."

The only alternative considered by the applicants was the removal of the CCRC variance. No other alternative was considered.

VIII. Project Scope and Size, Utilization and Unfinished/Shell Space

A. Criterion 1125.620 - Size of Project

The criterion states:

"The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards of Appendix B, unless the additional GSF can be justified by documenting one of the following:

- 1) Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
- 2) The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
- 3) The project involves the conversion of existing bed space that results in excess square footage."

The applicants are proposing 200 beds in 102,937 GSF of space. This equates to 515 GSF per bed. The applicants are in compliance with the State Board's criteria.

TABLE FOUR
Size of the Project

Departments	Unit of Measure	State Standard/Unit of Measure	State Standard GSF	Proposed GSF	Difference	Meets Standards
Nursing Care Beds	37 beds	435-713 BGSF/Bed	26,381	29,318 GSF	2,937 GSF	No



THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE SIZE OF PROJECT - REVIEW CRITERION (77 IAC 1125.620).

B. Criterion 1125.620 (b) - Project Services Utilization
The criterion states:

"This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFPB has not established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100. The applicant shall document that, in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in Appendix B."

The applicants have attested that within two years upon project completion; the applicants will be at the State Board's target occupancy of 90%. The applicants have the requirements of this criterion.

THE STATE BOARD STAFF FINDS THE PROJECT APPEARS TO BE IN CONFORMANCE WITH THE PROJECT UTILIZATION CRITERION. - REVIEW CRITERION (77 IAC 1125.620).

IX. Section 1125 - General Long Term Care - Review Criteria

A. Criterion 1125.530 - Planning Area Need

The applicant shall document that the number of beds to be established or added is necessary to serve the planning area's population, based on the following:

a) Bed Need Determination

- 1) The number of beds to be established for general LTC is in conformance with the projected bed need specified and reflected in the latest updates to the HFSRB Inventory.**
- 2) The number of beds proposed shall meet or exceed the occupancy standard specified in Section 1125.210(c).**

b) Service to Planning Area Residents

- 1) Applicants proposing to establish or add beds shall document that**



the primary purpose of the project will be to provide necessary LTC to the residents of the area in which the proposed project will be physically located (i.e., the planning or geographical service area, as applicable), for each category of service included in the project.

- 2) Applicants proposing to add beds to an existing general LTC service shall provide resident/patient origin information for all admissions for the last 12-month period, verifying that at least 50% of admissions were residents of the area. For all other projects, applicants shall document that at least 50% of the projected resident volume will be from residents of the area.
- 3) Applicants proposing to expand an existing general LTC service shall submit resident/patient origin information by zip code, based upon the resident's/patient's legal residence (other than an LTC facility).

There is calculated bed need for 899 long term care beds in the 7-E Planning Area. The applicants have provided the required documentation of patient origin by zip code which indicates that over 50% of the residents come from within 30 minutes of the facility. The applicants have met this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE PLANNING AREA NEED CRITERION (77 IAC 1125.530)

B. Criterion 1125.550 - Service Demand – Expansion of General Long-Term Care

The number of beds to be added at an existing facility is necessary to reduce the facility's experienced high occupancy and to meet a projected demand for service. The applicant shall document subsection (a) and either subsection (b) or (c).

a) Historical Service Demand

- 1) An average annual occupancy rate that has equaled or exceeded occupancy standards for general LTC, as specified in Section 1125.210(c), for each of the latest two years.
- 2) If prospective residents have been referred to other facilities in order to receive the subject services, the applicant shall provide



documentation of the referrals, including completed applications that could not be accepted due to lack of the subject service and documentation from referral sources, with identification of those patients by initials and date.

b) Projected Referrals

The applicant shall provide documentation as described in Section 1125.540(d).

c) Projected Service Demand - Based on Rapid Population Growth

If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area (as experienced annually within the latest 24-month period), the projected service demand shall be determined as described in Section 1125.540 (e).

There is no historical data for this facility; therefore the applicants cannot meet the requirements of this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT DOES NOT APPEAR TO BE IN CONFORMANCE WITH THE SERVICE DEMAND CRITERION (77 IAC 1125.550)

C) Criterion 1125.590 - Staffing Availability

The applicant shall document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met. In addition, the applicant shall document that necessary staffing is available by providing letters of interest from prospective staff members, completed applications for employment, or a narrative explanation of how the proposed staffing will be achieved.

The applicants have provided the necessary documentation that illustrates that sufficient staff will be available for the additional beds.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE STAFFING AVAILABILITY REVIEW CRITERION (77 IAC 1125.590).

D) Criterion 1125.610 - Community Related Functions

The applicant shall document cooperation with and the receipt of the endorsement of community groups in the town or municipality where the facility is or is proposed to be located, such as, but not limited to, social,



economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from such organizations.

The application contains letters of support from various entities and individuals throughout the community. The applicants have met the requirements of this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE CONFORMANCE WITH THE COMMUNITY RELATED FUNCTIONS CRITERION (77 IAC 1125.610).

E) Criterion 1125.640 - Assurances

- 1) The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for each category of service involved in the proposal.**
- 2) For beds that have been approved based upon representations for continuum of care (subsection (c)) or defined population (subsection (d)), the facility shall provide assurance that it will maintain admissions limitations as specified in those subsections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFPB will be required.**

The applicant provided the required signed documents to satisfy the Assurances Review criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH THE ASSURANCES CRITERION (77 IAC 1125.640).

X) Availability of Funds

The applicant shall document that financial resources will be available and be equal to or exceed the estimated total project cost and any related cost. An applicant that has no documented HUD insured mortgage commitment shall document that the project and related costs will be:



- A) **Funded in total with cash and equivalents, including investment securities, unrestricted funds, and funded depreciation as currently defined by the Medicare statute (42 USC 1395 et seq.); or**
- B) **Funded in total or in part by borrowing because:**
 - i) **a portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order that the current ratio does not fall below 2.0 times; or**
 - ii) **Borrowing is less costly than the liquidation of existing investments.**

The applicants are funding this project with cash in the amount of \$1,000,000 and a bond issue of \$141,014,262. The tax exempt revenue bonds were issued May 27, 2010 through the Illinois Finance Authority. The applicants have met the requirements of this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH THE AVAILABILITY CRITERION (77 IAC 1125.800 (5)).

IX. Review Criteria - Financial Feasibility

- 1) **The applicant shall provide (for the LTC facility or for the person who controls the LTC facility) either documentation of a U.S. Department of Housing and Urban Development (HUD) insured mortgage commitment, historical financial statements, or evidence of financial resources to fund the project.**
- 2) **Historical Financial Statements – The applicant shall provide (for the LTC facility or for the person who controls the LTC facility) the most recent three years' financial statements (if available) that include the following:**
 - A) **Balance sheet;**
 - B) **Income statement;**
 - C) **Changes in fund balance; and**

**D) Change in financial position.**

The review criterion specifies that certain ratios be met as an indication of financial viability for applicants that do not have a bond rating of “A” or better.

The applicants are Timothy Place, NFP, d/b/a Park Place Christian Community of Elmhurst and Rest Haven Illiana Christian Convalescent Home. Table Six displays the applicants’ financial ratio information. The State Board Staff notes that Timothy Place, NFP was formed in 2004 to operate a CCRC in Elmhurst, Illinois.

TABLE SIX Financial Ratio Information Rest Haven Illiana Christian Convalescent Home					
Ratio	Standard	Historic			Projected
		2008	2009	2010	2015
Current Ratio	≥ 1.5	.62	.78	1.40	1.70
Net Margin Percentage	$\geq 3.5\%$	3.60%	1.25%	.40%	1.56%
Percent Debt to Total Capitalization	$\leq 80\%$	80.55%	80.26%	80.90%	64.28%
Projected Debt Service Coverage	≥ 1.75	.96	2.44	1.55	1.18
Days Cash on Hand	≥ 45	57.88	68.12	73.64	59.85
Cushion Ratio	≥ 5	3.22	5.58	3.92	2.63

TABLE SEVEN Financial Ratio Information Timothy Place, NFP					
Ratio	Standard	Historic			Projected
		2008	2009	2010	2015
Current Ratio	≥ 1.5	N/A	N/A	.69	1.07
Net Margin Percentage	$\geq 3.5\%$	N/A	N/A	N/A	.07%
Percent Debt to Total Capitalization	$\leq 80\%$	N/A	N/A	100.19%	136.12%
Projected Debt Service Coverage	≥ 1.75	N/A	N/A	.05	1.37
Days Cash on Hand	≥ 45	N/A	N/A	16,487	458
Cushion Ratio	≥ 5	N/A	N/A	.60	6.90

A review of the viability ratios indicates that the applicants do not meet a number of the financial ratios

1. Current Ratio is an indication that an entity has the ability to meet its current obligations by measuring if a business has enough assets to cover its liabilities.



2. Net Margin Percentage is an indication of the amount of profit being realized on every dollar of sales.
3. Percent Debt to Total Capitalization measures the amount of a company's assets that are financed by long-term debt.
4. Projected Debt Service Coverage calculated the amount of cash available to meet debt obligations.
5. Days Cash on Hand indicates the number of days the facility could operate if no future revenue is provided.
6. Cushion Ratio indicates the amount of cash, short-term investment and unrestricted long-term investments remaining after paying all fixed debt expenses.

The applicants have not met the requirements of this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT DOES NOT APPEAR TO BE IN CONFORMANCE WITH THE FINANCIAL VIABILITY CRITERION (IAC 1120.210(a)).

X. Review Criteria - Economic Feasibility

A. Criterion 1125.800 (a) - Reasonableness of Project Cost

The State Board Staff notes only the costs associated with the LTC portion of the project will be compared to the established standards in Part 1120.

Preplanning Costs – These costs total \$40,312 or less than 1% of construction, contingencies and equipment. This appears reasonable compared to the State standard of 1.8%.

Site Survey, Soil Investigation and Site Prep – These costs total \$268,448, or 5.98% of construction costs and contingencies. This appears high compared to the State standard of 5.0%.

Off-Site Work – These costs total \$7,648. The State Board does not have a standard for this cost.

New Construction and Contingencies – These costs total \$4,484,519, or



\$152.96 per GSF. This appears reasonable compared to the adjusted State standard of \$174.00 per GSF.

Contingencies - These costs total \$34,791 or less than 1% of construction costs. This is reasonable compared to the State standard of 10%.

Architectural and Engineering Fees - These costs total \$334,413, or 7.45% of construction and contingencies. This appears reasonable compared to the Capital Development Board's Fee Structure of 3.65%-8.10% that is utilized as the State standard.

Consulting or Other Fees - These costs total \$414,609. The State Board does not have a standard for this cost.

Equipment - These costs total \$168,189, or \$4,546 per bed. This appears reasonable compared to the adjusted State standard of \$6,906 per bed.

Bond Issuance Expense - These costs total \$391,503. The State Board does not have a standard for this cost.

Net Interest Expense - These costs total \$1,469,031. The State Board does not have a standard for this cost.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT DOES NOT APPEAR TO BE IN CONFORMANCE WITH THE REQUIREMENTS OF THE PROJECTED OPERATING COSTS CRITERION (77 IAC 1125.800(a)).

B. Criterion 1120.800(d) - Projected Operating Costs

The criterion states:

"The applicant must provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year after project completion or the first full fiscal year when the project achieves or exceeds target utilization pursuant to 77 Ill. Adm. Code 1100, whichever is later. Direct cost means the fully allocated costs of salaries, benefits, and supplies for the service."

The applicants project \$186 of annual operating costs per equivalent patient day for the first year of operation. The State Board does not have a standard for this cost.



C. Criterion 1120.800(e) - Projected Capital Costs

The criterion states:

"The applicant must provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full year after project completion or the first full fiscal year when the project achieves or exceeds target utilization pursuant to 77 Ill. Adm. Code 1100, whichever is later."

The applicants project \$59 per adjusted patient day in annual capital costs for the first year of operation. The State Board does not have a standard.

The map displays the Chicago metropolitan area and surrounding regions. A callout box highlights the location of Park Place Christian Community Church at 1050 S Euclid Ave, Elmhurst, IL 60126. The map includes labels for various cities, towns, and villages, as well as major highways and geographical features like Lake Michigan and Lake DuSable.

Copyright © and (P) 1988–2006 Microsoft Corporation and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint/>
Portions © 1990–2005 InstallShield Software Corporation. All rights reserved. Certain mapping and direction data © 2005 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2005 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc.